

TESTIMONY REGARDING RAISED BILL NO. 928, FEBRUARY 28, 2013

My name is Allen G. Berman. I am a nationally recognized numismatic writer and editor. I have worked as a professional numismatist since 1981. I am here to oppose Raised Bill No.928.

This bill requires a holding period for 10 days after the submission of a weekly statement, i.e., 10 to 17 days. The typical turnover on bullion coins is anywhere from 30 minutes to a couple days. Gold can and *has* dropped in value by 6 to 7% in the span of 14 days. Silver can and *has* dropped by 2 to 3% over the course of 6 hours. The short term value of bullion coins is unstable. The profit margin on coins such as a US Gold Eagle or Canadian Maple leaf can be 1 to 4%. Coin dealers do not earn their living by speculating, but by buying and selling under the same market conditions. Over the span of 10 to 17 days the change in the market can easily exceed the profit on the coin. If this bill is passed dealers will need to buy from the public at sharply discounted rates to cover their increased risk. To apply a similar restriction to holders of stocks would be inconceivable, but this *is* an analogous situation.

Obviously knowledgeable collectors and wealthy investors will opt to sell their holdings out of state. The average citizen disposing of their childhood coin collection or the family selling grandpa's silver dollars will have to accept that in Connecticut dealers pay less. The ironic thing is that these standards are designed for antiques and jewelry not coins. Most 19th century coins are no more individually identifiable than those in your pockets. They are generally bought in bulk.

This bill requires a photographic record and the recording of individual dates of items purchased. The most common coins purchased by coin shops are wheat back cents, at an average of 2 cents each. A common silver dime is worth about \$2 with a 10% profit. Dealers would have to decline these items rather than pay employees more than the coins are worth to photograph them and record their dates. More than once I have seen laymen turned away from shops because the paper work would exceed the profit. Telling people to go spend their wheat pennies and silver dimes does not do the public good. Laying off employees formerly assigned to buy those inexpensive coins does not either.

This bill was in large designed for antiques and jewelry. Perhaps it is practicable with large expensive items, but this is not representative of the coin industry. It seems that if it passes without deleting the phrase "bullion or coins" the primary result will be to move the business of buying coins out of state, or worse, underground.